

HOUSE BILL No. 1612

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-7-2; IC 12-8-1-14; IC 12-13-8-4; IC 12-15; IC 12-17-18; IC 12-17-19.

Synopsis: Children's health insurance program. Provides that a child who is less than 19 years of age and who is a member of a family with an income that does not exceed 150% of the federal income poverty level qualifies for Medicaid. Requires the office of Medicaid policy and planning, in operating a managed care program, to offer to contract with and encourage contracts from community entities to manage certain aspects of the program. Requires the office of the children's health insurance program to adopt a sliding scale formula that specifies the premiums to be paid by the parent or guardian of a child enrolled in the program. (Current law makes the premiums optional.) Requires that a child and the child's family meet certain requirements in order to
(Continued next page)

Effective: July 1, 1999.

Brown C, Becker

January 21, 1999, read first time and referred to Committee on Public Health.



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enroll in the children's health insurance program. Allows the office administering the program to do the following: (1) Offer additional basic services if appropriations to the program exist to pay for the additional services. (2) Establish a program of employer based subsidies to encourage employers to provide coverage under the children's health insurance program. (3) Offer to contract with and encourage contracts from community entities to manage certain aspects of the program. Provides certain requirements that the office administering the program must undertake. Provides that a provider that contracts with either the Medicaid managed care program or the children's health insurance program is considered a provider for both programs. Requires direct access to certain speciality providers within the children's health insurance program if direct access is provided as part of the Medicaid managed care program. Requires that community health centers be used to provide health care services for the children's health insurance program. Establishes the children's health oversight committee to coordinate programs designed to provide health care to children and to oversee implementation of the children's health insurance program. Makes conforming amendments.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1612

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 12-7-2-35 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 35. "Committee" means
3 the following:
4 (1) For purposes of IC 12-8-3, the meaning set forth in
5 IC 12-8-3-1.
6 (2) For purposes of IC 12-15-33, the meaning set forth in
7 IC 12-15-33-1.
8 (3) **For purposes of IC 12-17-19, the meaning set forth in**
9 **IC 12-17-19-1.**
10 SECTION 2. IC 12-7-2-120 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 120. (a) "Insurer", for
12 purposes of the statutes listed in subsection (b), means an insurance
13 company, a health maintenance organization (as defined in
14 IC 27-13-1-19), a self-funded employee benefit plan, a pension fund,
15 a retirement system, or a similar entity that:

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- 1 (1) does business in Indiana; and
 2 (2) is under an obligation to make payments for medical services
 3 as a result of injury, illness, or disease suffered by an individual.
 4 (b) This section applies to the following statutes:
 5 (1) IC 12-14-1 through IC 12-14-9.
 6 (2) IC 12-15, except IC 12-15-32, IC 12-15-33, and IC 12-15-34.
 7 (c) **"Insurer", for purposes of IC 12-17-18, has the meaning set**
 8 **forth in IC 12-17-18-0.5.**

9 SECTION 3. IC 12-7-2-146 IS AMENDED TO READ AS
 10 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 146. "Program" refers
 11 to the following:

- 12 (1) For purposes of IC 12-10-7, the adult guardianship services
 13 program established by IC 12-10-7-5.
 14 (2) For purposes of IC 12-10-10, the meaning set forth in
 15 IC 12-10-10-5.
 16 (3) **For purposes of IC 12-17-18, the meaning set forth in**
 17 **IC 12-17-18-1.9.**

18 SECTION 4. IC 12-7-2-149 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 149. "Provider" means
 20 the following:

- 21 (1) For purposes of IC 12-10-7, the meaning set forth in
 22 IC 12-10-7-3.
 23 (2) For purposes of the following statutes, an individual, a
 24 partnership, a corporation, or a governmental entity that is
 25 enrolled in the Medicaid program under rules adopted under
 26 IC 4-22-2 by the office of Medicaid policy and planning:
 27 (A) IC 12-14-1 through IC 12-14-9.
 28 (B) IC 12-15, except IC 12-15-32, IC 12-15-33, and
 29 IC 12-15-34.
 30 (C) IC 12-17-10.
 31 (D) IC 12-17-11.
 32 (3) For purposes of IC 12-17-9, the meaning set forth in
 33 IC 12-17-9-2.
 34 (4) ~~For purposes of IC 12-17-18, the meaning set forth in~~
 35 ~~IC 12-17-18-2.~~
 36 ~~(5)~~ For the purposes of IC 12-17.2, a person who operates a child
 37 care center or child care home under IC 12-17.2.
 38 ~~(6)~~ (5) For purposes of IC 12-17.4, a person who operates a child
 39 caring institution, foster family home, group home, or child
 40 placing agency under IC 12-17.4.

41 SECTION 5. IC 12-8-1-14 IS ADDED TO THE INDIANA CODE
 42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY



1, 1999]: **Sec. 14. The office of the secretary shall improve its system through the use of technology and training of staff to do the following:**

(1) Simplify, streamline, and destigmatize the eligibility and enrollment processes in all health programs serving children.

(2) Ensure an efficient provider payment system.

(3) Improve service to families.

(4) Improve data quality for program assessment and evaluation.

(5) Coordinate the payment for and services provided through the children's health insurance program under IC 12-17-18 with:

(A) services provided to children with special needs; and

(B) public health programs designed to protect all children.

SECTION 6. IC 12-13-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. For taxes first due and payable in 1990, each county shall impose a medical assistance property tax levy equal to the amount determined using the following formula:

STEP ONE: Determine the sum of the amounts that were incurred by the county as determined by the state board of accounts for all medical care, including psychiatric care and institutional psychiatric care, for wards of the county office (described in ~~IC 12-15-2-15~~ **IC 12-15-2-16**) that was provided in 1986, 1987, and 1988.

STEP TWO: Subtract from the amount determined in STEP ONE the sum of:

(A) the amount of bank taxes (IC 6-5-10);

(B) the amount of savings and loan association taxes (IC 6-5-11);

(C) the amount of production credit association taxes (IC 6-5-12); plus

(D) the amount of motor vehicle excise taxes (IC 6-6-5);

that were allocated to the county welfare fund and used to pay for the medical care for wards provided in 1986, 1987, and 1988.

STEP THREE: Divide the amount determined in STEP TWO by three (3).

STEP FOUR: Adjust the amount determined in STEP THREE by the amount determined by the state board of tax commissioners under section 6 of this chapter.

STEP FIVE: Multiply the amount determined in STEP FOUR by the greater of:



(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 1990; or

(B) the statewide average assessed value growth quotient using the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for property taxes first due and payable in 1990.

STEP SIX: Multiply the amount determined in STEP FIVE by the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this section will be first due and payable.

SECTION 7. IC 12-15-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. (a) An individual:

- (1) who is less than ~~one (1) year~~ **nineteen (19) years** of age;
- (2) who is not described in 42 U.S.C. 1396a(a)(10)(A)(i); and
- (3) whose family income does not exceed the income level established in subsection (b);

is eligible to receive Medicaid.

(b) An individual described in this section is eligible to receive Medicaid, subject to 42 U.S.C. 1396a et seq., if the individual's family income does not exceed one hundred fifty percent (150%) of the federal income poverty level for the same size family.

(c) The office may apply a resource standard in determining the eligibility of an individual described in this section.

SECTION 8. IC 12-15-2.2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. A qualified entity may establish the presumptive eligibility of an individual who may be eligible for:

- (1) Medicaid under IC 12-15-2-11 through ~~IC 12-15-2-15.6;~~ **IC 12-15-2-14;** or
- (2) services from the children's health insurance program under ~~IC 16-35-6;~~ **IC 12-17-18.**

SECTION 9. IC 12-15-2.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. The office shall provide each qualified entity with the following:

- (1) Application forms for:
 - (A) Medicaid; and
 - (B) the children's health insurance program under ~~IC 16-35-6;~~ **IC 12-17-18.**
- (2) Information on how to assist pregnant women, parents, guardians, and other individuals in completing and filing the

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application forms.

SECTION 10. IC 12-15-12-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 13. For a managed care program established or authorized by the office, or established or authorized by another entity or agency working in conjunction with or under agreement with the office, the office shall:**

(1) consider administering the managed care program on a community level rather than by dividing the state into geographic areas (as defined in 405 IAC 1-4-2(o));

(2) guarantee that all areas of the state, including rural areas, are served by the managed care program; and

(3) offer to contract with, and shall encourage contracts from, community entities, including private entities, to manage any of the following:

(A) Outreach for and enrollment in the managed care program.

(B) Provision of services.

(C) Consumer education and public health education.

(D) Day to day administration of the managed care program.

SECTION 11. IC 12-15-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 2.** The Medicaid indigent care trust fund is established to pay the state's share of the following:

(1) Enhanced disproportionate share payments to providers under IC 12-15-19.

(2) Disproportionate share payments and significant disproportionate share payments for certain outpatient services under IC 12-15-17-3.

(3) Medicaid payments for pregnant women described in IC 12-15-2-13 and infants and children described in IC 12-15-2-14. ~~IC 12-15-2-15, and IC 12-15-2-15.5.~~

(4) Municipal disproportionate share payments to providers under IC 12-15-19-8.

SECTION 12. IC 12-17-18-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 0.5. (a) As used in this chapter, "insurer" means a person who provides health insurance in Indiana. The term includes the following:**

(1) A licensed insurance company.

(2) A health maintenance organization.



(3) A multiple employer welfare arrangement.

(4) A person providing a plan of health insurance subject to state insurance law.

(b) For purposes of section 7(b) of this chapter, the term includes a limited service health maintenance organization (as defined in IC 27-13-34-4) and a preferred provider plan (as defined in IC 27-8-11-1).

SECTION 13. IC 12-17-18-1.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1.9. As used in this chapter, "program" refers to the children's health insurance program established under this chapter.

SECTION 14. IC 12-17-18-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. A child may apply at an enrollment center as provided in IC 12-15-4-1 or at the office of a qualified entity under IC 12-15-2.2 to receive health care services if the child

(1) meets the qualifications described in section 12 of this chapter. or

(2) receives health care services through the Hoosier Healthwise program under IC 12-15.

SECTION 15. IC 12-17-18-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) The office may contract with ~~providers~~ **insurers** under IC 5-22 to arrange to provide health insurance or health services to a child who is enrolled in the ~~children's health insurance~~ program. A contract under this subsection must require a ~~provider~~ **an insurer** to do the following:

(1) Serve as a qualified entity (as defined in IC 12-15-2.2-1) in order to determine the presumptive eligibility for pregnant women and children for Medicaid as provided in IC 12-15-2.2.

(2) Assist a presumptively eligible individual under subdivision

(1) to select a primary care provider.

(3) Establish locations where an applicant may apply to receive services provided by the ~~children's health insurance~~ program.

(4) Provide education concerning the following:

(A) The responsible use of health facilities and information.

(B) Preventive care.

(C) Parental responsibilities for a child's health care.

(5) Provide outreach and evaluation activities for the ~~children's health insurance~~ program.

(b) The office may contract with ~~providers~~ **insurers** to arrange to provide the services described in section ~~18(c)~~ **18(d)** of this chapter. ~~A~~



~~provider~~ **An insurer** under this subsection must:

- (1) be eligible to receive reimbursement from the office; and
- (2) comply with subsection (a)(3), (a)(4), and (a)(5).

SECTION 16. IC 12-17-18-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 7.5. (a) A provider that participates in the Medicaid program under IC 12-15-11 is considered an insurer for the program.**

(b) An insurer that enters into a contract with the program under this chapter is considered to be a provider in the Medicaid program under IC 12-15-11.

(c) If a client has direct access to a provider under IC 12-15-11, the client has direct access to an insurer providing the same services under this chapter.

SECTION 17. IC 12-17-18-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) The office shall establish performance criteria and evaluation measures for ~~a provider~~ **an insurer** with which the office contracts under section 7 of this chapter.

(b) The office shall assess monetary penalties on a provider an insurer that fails to comply with the requirements of this chapter or a rule adopted under this chapter.

SECTION 18. IC 12-17-18-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. The office shall adopt a sliding scale formula that specifies the premiums ~~if any~~ to be paid by the parent or guardian of a child enrolled in the ~~children's health insurance~~ program based on the parent's or guardian's annual income.

SECTION 19. IC 12-17-18-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 12. **(a) In order to enroll in the children's health insurance program, a child must meet the following requirements:**

- (1) The child and the child's family may not have access to affordable health insurance through an employer.**
- (2) The child's family agrees to provide copayments for services based on a sliding fee scale developed by the office.**
- (3) The child is a member of a family with an annual income that is:**
 - (A) greater than one hundred fifty percent (150%); and**
 - (B) less than or equal to two hundred percent (200%); of the federal income poverty level.**
- (4) Except as provided in subsection (b), the child must be**



uninsured for at least three (3) months.

(b) The following are exempted from the requirement under subsection (a)(4):

(1) Children who are members of the high risk pool and who have ongoing medical needs.

(2) Children who lose coverage through the termination of a parent's employer plan.

(3) Children whose parents have lost jobs with insurance coverage.

(4) Children who lose insurance coverage due to their parents' divorce.

SECTION 20. IC 12-17-18-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. To be eligible to receive reimbursement from the office, ~~a provider~~ **an insurer** shall offer health care services required by this chapter to an eligible child without:

(1) regard to the child's health status; and

(2) imposing a preexisting condition exclusion;

except that a preexisting condition exclusion may be applied if health care services are provided through a group health plan or group health insurance coverage, consistent with the limitations on imposing preexisting condition exclusions provided in state and federal law.

SECTION 21. IC 12-17-18-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. Premium and cost sharing amounts established by the office are limited to the following:

(1) Deductibles, coinsurance, or other cost sharing are not permitted with respect to benefits for well-baby and well-child care, including age appropriate immunizations.

(2) ~~For children whose family income is equal to or less than one hundred fifty percent (150%) of the federal income poverty level:~~

(A) ~~premiums, enrollment fees, or similar charges may not exceed the maximum monthly charge permitted consistent with standards established to carry out section 1916(b)(1) of the Social Security Act (42 U.S.C. 301 et seq.); and~~

(B) ~~deductibles and other cost sharing shall not exceed a nominal amount that is consistent with standards provided under Section 1916(a)(3) of the Social Security Act (42 U.S.C. 301 et seq.); as adjusted.~~

(3) ~~For children whose family income is greater than one hundred fifty percent (150%) of the federal income poverty level;~~ Premiums, deductibles, and other cost sharing ~~may be~~ **are** imposed on a sliding scale related to family income. However, the



total annual aggregate cost sharing with respect to all children in a family under this chapter may not exceed five percent (5%) of the family's income for the year.

SECTION 22. IC 12-17-18-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 18. (a) As used in this section, "physicians' services" has the meaning set forth in 42 U.S.C. 1395x(q). ~~and (r):~~

(b) Benefits offered under the program shall include preventive, primary, and acute care services appropriate for children from birth through eighteen (18) years of age.

~~(b)~~ (c) The office shall offer health insurance coverage for the following basic services:

- (1) Inpatient and outpatient hospital services.
- (2) Physicians' services.
- (3) Laboratory and x-ray services.
- (4) Well-baby and well-child care, including:
 - (A) age appropriate immunizations; **and**
 - (B) **services provided under the early and periodic screening, diagnosis, and treatment program (EPSDT) under IC 12-15.**

The office may offer services in addition to those listed in this subsection if appropriations to the program exist to pay for the additional services.

~~(c)~~ (d) The office shall offer health insurance coverage for the following additional services if the coverage for the services has an actuarial value equal to the actuarial value of the services provided by the benchmark program **determined by the children's health oversight committee under IC 12-17-19** for the following:

- (1) Prescription drugs.
- (2) Mental health services.
- (3) Vision services.
- (4) Hearing services.
- (5) Dental services.

(6) Enhanced substance abuse treatment.

~~(d)~~ Notwithstanding subsections ~~(b)~~ and ~~(c)~~, the office shall offer health insurance coverage for the same services provided under the early and periodic screening, diagnosis, and treatment program ~~(EPSDT) under IC 12-15.~~

(e) Notwithstanding subsections ~~(b)~~, ~~(c)~~ and (d), the office may not impose treatment limitations or financial requirements on the coverage of services for a mental illness if similar treatment limitations or financial requirements are not imposed on coverage for services for



1 other illnesses.

2 **(f) The children's health oversight committee under IC 12-17-19**
3 **shall:**

4 **(1) annually review the benefits provided to program**
5 **enrollees; and**

6 **(2) adjust the benefits as needed to remain within the**
7 **program's appropriations.**

8 SECTION 23. IC 12-17-18-19 IS AMENDED TO READ AS
9 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 19. **(a)** The office shall
10 do the following:

11 (1) Establish a penalty to be paid by the following:

12 (A) An insurer, insurance agent, or insurance broker, for
13 knowingly or intentionally referring an insured or the
14 dependent of an insured to the ~~children's health insurance~~
15 program in order to receive health care when the insured
16 receives health insurance through an employer's health care
17 plan that is underwritten by the insurer.

18 (B) An employer, for knowingly or intentionally referring an
19 employee or the dependent of an employee to the ~~children's~~
20 ~~health insurance~~ program in order to receive health care when
21 the employee receives health insurance through the employer's
22 health care plan.

23 (C) An employer that knowingly or intentionally changes the
24 terms of coverage for or premiums paid by an employee in
25 order to force an employee or the dependent of an employee to
26 apply to the ~~children's health insurance~~ program in order to
27 receive health care.

28 (2) Create standards to minimize the incentive for:

29 (A) an employer to eliminate or reduce health care coverage
30 for an employee's dependents; or

31 (B) an individual to eliminate or reduce health care coverage
32 for a dependent of the individual.

33 **(b) The office may establish a program of employer based**
34 **subsidies to encourage employers to provide coverage under the**
35 **program.**

36 SECTION 24. IC 12-17-18-20 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 20. Not later than
38 ~~March~~ **May** 1 of each year, the office shall provide a report describing
39 the ~~office's~~ **program's** activities during the preceding calendar year to
40 the:

41 (1) state budget committee;

42 (2) **children's health oversight committee under IC 12-17-19;**



1 and

2 (3) general assembly.

3 SECTION 25. IC 12-17-18-22 IS ADDED TO THE INDIANA
4 CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 1999]: **Sec. 22. (a) The office shall offer to**
6 **contract with, and shall encourage contracts from, community**
7 **entities, including private entities, to manage any of the following:**

8 (1) Outreach for and enrollment in the program.

9 (2) Provision of health care services.

10 (3) Consumer education and public health education.

11 (4) Day to day administration of the program.

12 (b) Community health centers shall be utilized to provide health
13 care services.

14 (c) The office shall consider providing financial incentives to
15 community entities that participate in enrollment, eligibility, and
16 insurer selection processes.

17 (d) The office shall incorporate incentives to enhance insurer
18 availability in all medical service areas and to encourage
19 appropriate utilization of services by enrollees in the program,
20 including use of the following:

21 (1) Nurse practitioners.

22 (2) Alternative locations and hours for care.

23 (3) Education of providers and enrollees.

24 (4) Encouraging preventive care.

25 (5) Simple copayment arrangements.

26 (e) The office:

27 (1) shall consider administering the program on a community
28 level rather than by geographic areas (as defined in 405
29 IAC 1-4-2(o)); and

30 (2) shall guarantee that all areas of the state, including rural
31 areas, are served by the program.

32 SECTION 26. IC 12-17-18-23 IS ADDED TO THE INDIANA
33 CODE AS A NEW SECTION TO READ AS FOLLOWS
34 [EFFECTIVE JULY 1, 1999]: **Sec. 23. (a) The office shall enter into**
35 **contracts under IC 5-22 with the following:**

36 (1) An advertising or public relations agency or partnership
37 for professional design and communication plans for the
38 program to reach the target population with a stigma free
39 product.

40 (2) A professional market research organization to improve
41 outreach and enrollment.

42 (b) The office shall provide the program with a memorable



1 **name and identity.**

2 SECTION 27. IC 12-17-18-24 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 1999]: **Sec. 24. (a) The office shall**
5 **incorporate creative methods, reflective of community level**
6 **objectives and input, to do the following:**

7 (1) **Encourage beneficial and appropriate use of health care**
8 **services.**

9 (2) **Pursue efforts to enhance insurer availability.**

10 (b) **In determining the best approach for each area, the office**
11 **shall, in collaboration with communities, do the following:**

12 (1) **Evaluate distinct market areas.**

13 (2) **Weigh the advantages and disadvantages of alternative**
14 **delivery models, including the following:**

15 (A) **Risk based managed care only.**

16 (B) **Primary care gatekeeper model only.**

17 (C) **A combination of clauses (A) and (B).**

18 SECTION 28. IC 12-17-18-25 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 1999]: **Sec. 25. The office shall do the**
21 **following:**

22 (1) **Encourage insurers to develop employer based insurance**
23 **products that meet the standards for insurance coverage**
24 **required under this chapter.**

25 (2) **Consider allowing a family to purchase employer based**
26 **insurance coverage that meets the standards for insurance**
27 **required under this chapter as an alternative to participating**
28 **in the program.**

29 SECTION 29. IC 12-17-19 IS ADDED TO THE INDIANA CODE
30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 1999]:

32 **Chapter 19. Children's Health Oversight Committee**

33 **Sec. 1. As used in this chapter, "committee" refers to the**
34 **children's health oversight committee established under section 2**
35 **of this chapter.**

36 **Sec. 2. (a) The children's health oversight committee is**
37 **established to:**

38 (1) **coordinate programs designed to provide health care to**
39 **children and their families, including:**

40 (A) **Hoosier Healthwise;**

41 (B) **Children With Special Health Care Needs;**

42 (C) **First Steps; and**



(D) Children's Health Insurance Program; and
 (2) oversee implementation of the children's health insurance program.

(b) The committee's goals under subsection (a) shall include the following:

(1) To help make the programs under subsection (a)(1) efficient and effective in meeting the needs of both participants and providers.

(2) To allow children enrolled in one (1) or more of the programs under subsection (a)(1) to experience a seamless approach to their care and payment for that care.

Sec. 3. The committee consists of twelve (12) members as follows:

(1) One (1) member from the division of family and children, appointed by the secretary.

(2) One (1) member from the office of Medicaid policy and planning, appointed by the secretary.

(3) Two (2) members from the state department of health, appointed by the commissioner of the state department of health.

(4) Two (2) members from the department of insurance, appointed by the commissioner of the department of insurance.

(5) Two (2) members of the senate, appointed by the president pro tempore of the senate with the advice of the minority leader of the senate. The members appointed under this subdivision may not belong to the same political party.

(6) Two (2) members of the house of representatives, appointed by the speaker of the house of representatives with the advice of the minority leader of the house of representatives. The members appointed under this subdivision may not belong to the same political party.

(7) Two (2) members appointed by the governor, including at least one (1) individual from a family that receives services from the children's health insurance program.

Sec. 4. The governor shall annually appoint a chairperson from the members on the committee.

Sec. 5. The committee shall meet at least quarterly at the call of the chairperson.

Sec. 6. (a) Except as provided in subsections (b) and (c), the term of each member of the committee is three (3) years.

(b) If a legislative member of the committee ceases being a



1 member of the chamber from which the member was appointed,
2 the member also ceases to be a member of the committee.

3 (c) If a member of the committee described in section 3(1), 3(2),
4 3(3), or 3(4) of this chapter ceases being an employee of the division
5 of family and children, the office of Medicaid policy and planning,
6 the state department of health, or the department of insurance, the
7 member also ceases to be a member of the committee.

8 (d) A member may be reappointed to serve consecutive terms.

9 Sec. 7. If a vacancy exists on the committee, the appointing
10 authority who appointed the former member whose position has
11 become vacant shall appoint an individual to fill the vacancy.

12 Sec. 8. (a) Each member of the committee who is not a state
13 employee is entitled to receive both of the following:

14 (1) The minimum salary per diem provided by
15 IC 4-10-11-2.1(b).

16 (2) Reimbursement for travel expenses and other expenses
17 actually incurred in connection with the member's duties, as
18 provided in the state travel policies and procedures
19 established by the Indiana department of administration and
20 approved by the budget agency.

21 (b) Each member of the committee who is a state employee is
22 entitled to reimbursement for travel expenses and other expenses
23 actually incurred in connection with the member's duties, as
24 provided in the state travel policies and procedures established by
25 the Indiana department of administration and approved by the
26 budget agency.

27 (c) The legislative members of the committee are entitled to
28 receive the same per diem, mileage, and travel allowances paid to
29 persons who serve as legislative members of interim study
30 committees established by the legislative council.

31 Sec. 9. The affirmative votes of a majority of the voting
32 members appointed to the committee are required for the
33 committee to take action on any measure, including final reports.

34 Sec. 10. (a) The committee shall establish objectives for
35 evaluating the children's health insurance program based on health
36 care benchmarks, provider timeliness, data quality, and credibility
37 of results.

38 (b) The committee shall contract with an independent
39 organization to evaluate the children's health insurance program.

40 (c) An evaluation under subsection (b) shall occur one (1) time
41 every two (2) years.

42 (d) This section does not modify the requirements of other



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1 statutes relating to the confidentiality of medical records.

2 **Sec. 11.** Based on each evaluation conducted under section 10 of
3 this chapter, the committee shall make recommendations to the
4 general assembly for changes in the children's health insurance
5 program.

6 **Sec. 12.** The office of the secretary shall provide staff support to
7 the committee.

8 SECTION 30. THE FOLLOWING ARE REPEALED [EFFECTIVE
9 JULY 1, 1999]: IC 12-15-2-15; IC 12-15-2-15.5; IC 12-17-18-2;
10 IC 12-17-18-5.

11 SECTION 31. [EFFECTIVE JULY 1, 1999] (a) The office may
12 apply to the Secretary of the United States Department of Health
13 and Human Services for a waiver to provide family coverage from
14 the children's health insurance program under IC 12-17-18 when
15 it is economically efficient to provide family coverage.

16 (b) This SECTION expires January 1, 2001.

17 SECTION 32. [EFFECTIVE JULY 1, 1999] (a) Notwithstanding
18 IC 12-17-19-10, as added by this act, the first evaluation of the
19 children's health insurance program under IC 12-17-18 must be
20 completed before July 1, 2001.

21 (b) This SECTION expires January 1, 2002.

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